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# **Evergreen ♦ East Hills Vision Strategy Trade-off Analysis**

Task Force Meeting

January 18, 2006

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# *Affordable Housing*

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# *Affordable Housing*

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## *Affordable Income Levels*

	<b>% of AMI</b>	<b>1-Person HH</b>	<b>3-Person HH</b>	<b>5-Person HH</b>
<b>Moderate Income</b>	81-120%	\$89,160	\$114,600	\$137,520
<b>Low Income</b>	< 80%	\$59,400	\$76,400	\$91,650
<b>Very Low-Income</b>	< 50%	\$37,150	\$47,750	\$57,300
<b>Extremely Low-Income</b>	< 30%	\$22,290	\$28,650	\$34,380

# *Affordable Housing*

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## *City's Affordable Housing Goals*

*Moderate Income*                      *15%*

*Low-Income*                              *25%*

*Very Low-Income*                      *60%*

# *Affordable Housing*

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## *City's Affordable Housing Policies*

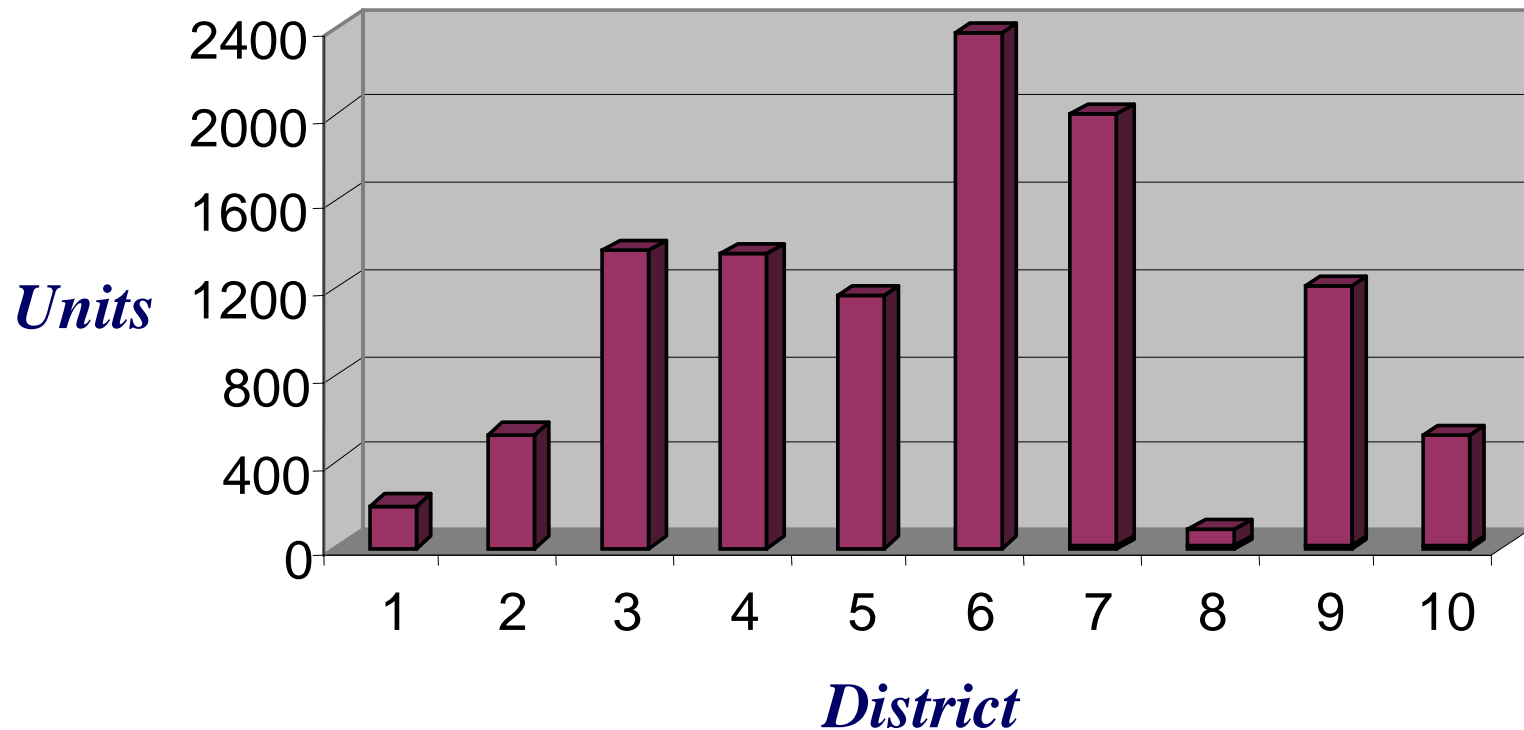
### *Dispersion*

- *City Council Adoption 1997*
- *Statement to encourage affordable housing development throughout San Jose*
- *To balance and promote economic integration*
- *Recognize that certain census tracts contain a disproportionate number of lower income households.*

# *Affordable Housing*

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## *New Affordable Housing Units by Council District*



## *Inclusionary Housing*

# *Affordable Housing*

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## *Inclusionary Housing Policy*

- *The City's Inclusionary Housing Policy applies to the redevelopment areas of San Jose.*
- *Specifically, it requires 15-20% units affordable to a range of incomes and based on housing type (rental or for-sale).*
- *However, through the City Council's direction, there are instances where affordable housing has been required outside of redevelopment areas, namely in large developing locations like Coyote Valley.*
- *The City Council provided direction to look at affordability requirements as part of the "trade-off" analysis*



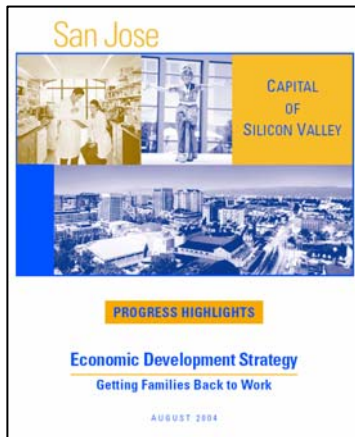
# *Industrial Lands – Citywide Council Policy Framework*

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## *San Jose 2020 General Plan (1994)*

- *Strive for Jobs/Housing Balance*
- *Create a variety of job opportunities for residents*
- *Provide jobs in south to capture the “reverse commute”*



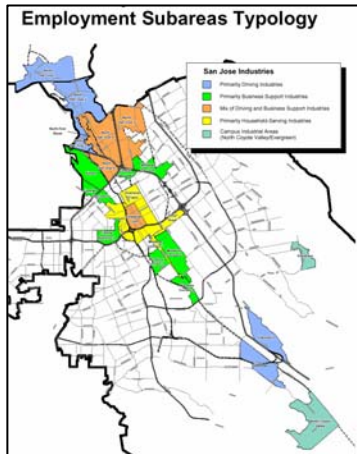
## *Economic Development Strategy (2003)*

- *Diversify San Jose’s economic base*
- *Revise key land use and transportation policies*
- *Support start-up and growth of local businesses*
- *Develop retail to full potential*

# *Industrial Lands – Citywide Council Policy Framework*

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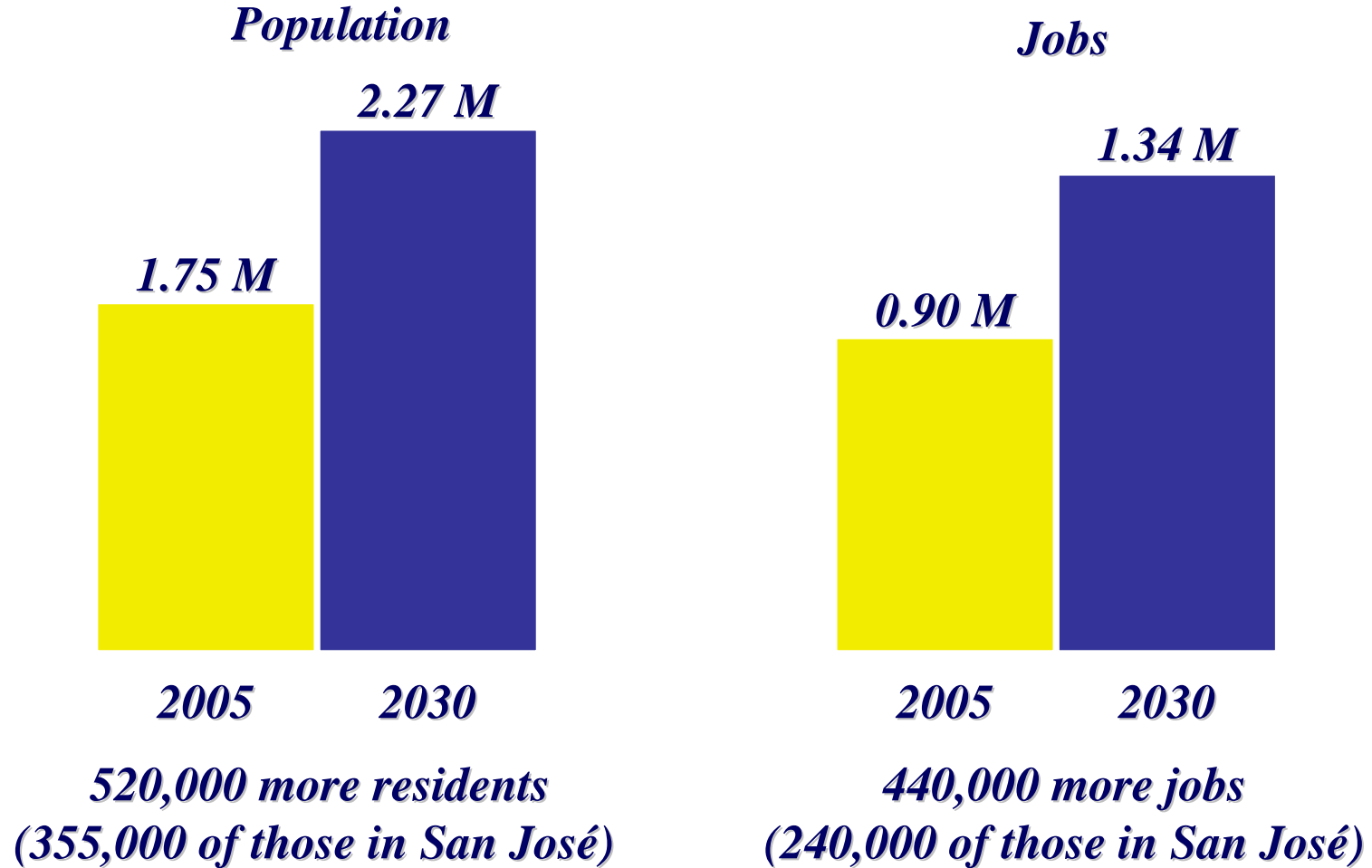
## *Employment Lands Conversion Framework (2004)*



- *Continue to facilitate a vibrant mix of housing, civic, retail and employment uses in the Downtown Core*
- *As employment areas intensify in North San Jose and Edenvale, then intensive development of housing and retail may be considered*
- *Consider conversion in the Evergreen Industrial Area if recommended through the Evergreen\*East Hills Vision Strategy process*

## *Industrial Lands – Growth Projections (Santa Clara County)*

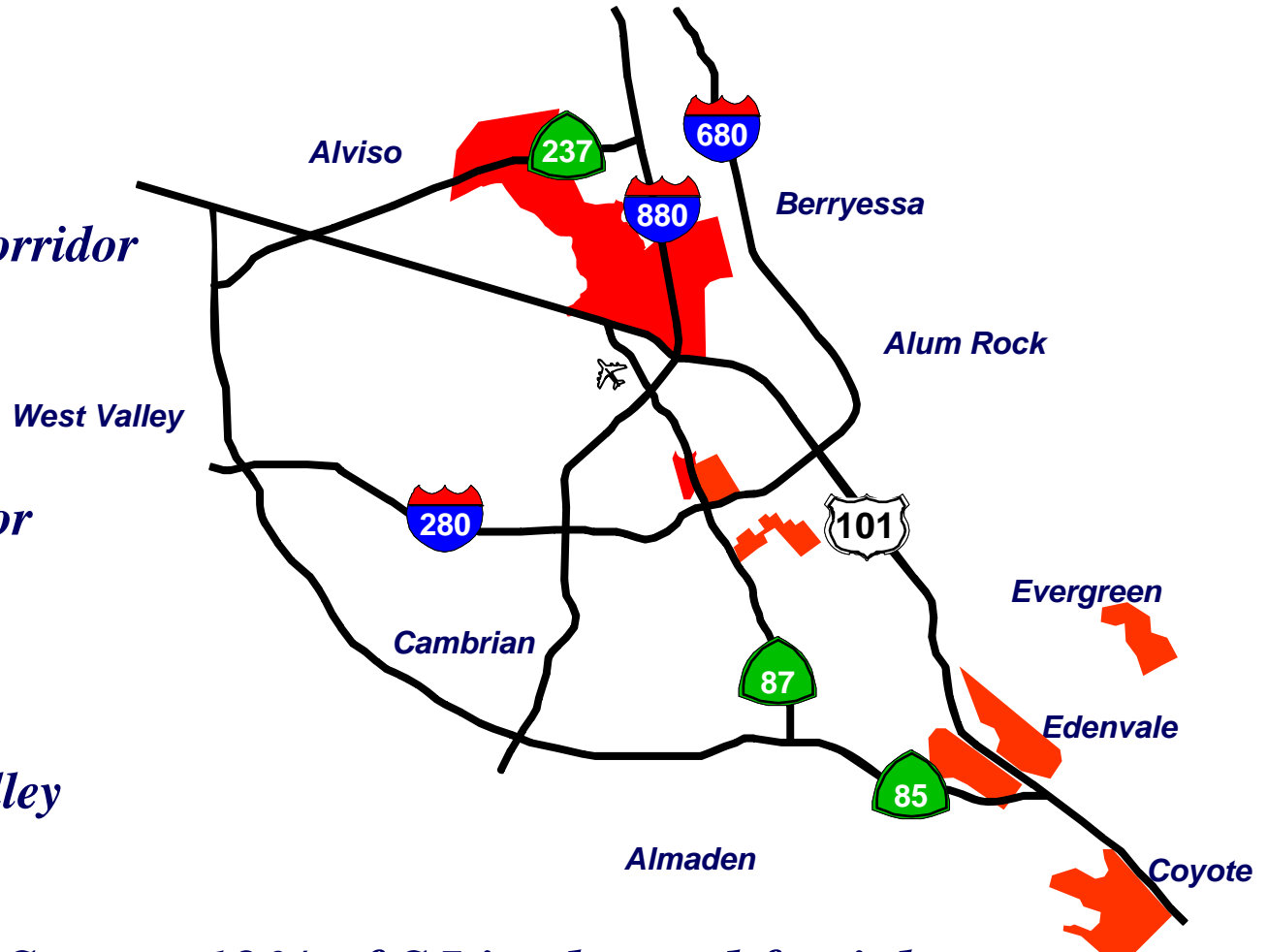
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# *Industrial Lands – San Jose's Employment Areas*

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- *North San Jose*
- *Alviso*
- *Oakland Road Corridor*
- *Downtown*
- *Julian-Stockton*
- *Monterey Corridor*
- *Edenvale*
- *Evergreen*
- *North Coyote Valley*



*Current Status: 12% of SJ is planned for jobs*

## *Industrial Lands – Strategy for Employment Lands*

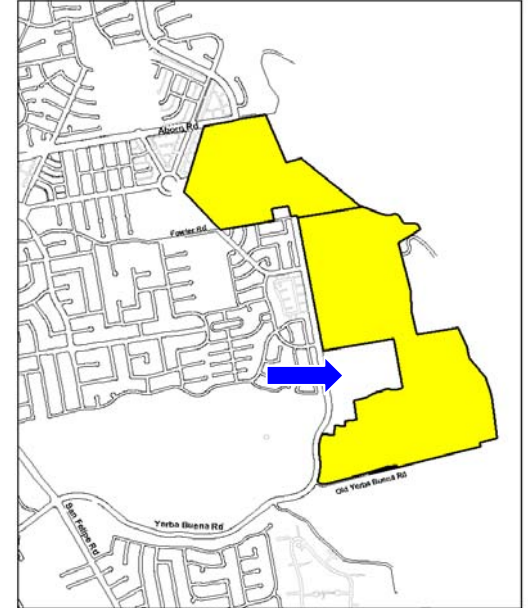
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- *Increase employment densities in North San Jose*
- *Create additional employment opportunities in Downtown*
- *Retain large areas of contiguous light and heavy industrial lands for business support industries*
  - *Monterey Corridor*
  - *Old Oakland Road*
- *Enhance retail opportunities in business districts, transit station areas, and key commercial nodes*
- *Promote employment opportunities in Edenvale and Coyote Valley*

# *Industrial Lands – Evergreen Campus Industrial History*

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- *Berryessa Swap in 1980*
- *Only one property has developed*
  - *Syntex building in 1980s*
  - *To become the Hitachi Global Storage Systems headquarters*
- *In 2004, Economic Development Focus Group participants indicated that the Evergreen Industrial Area is a long term development possibility due to distance from freeways, light rail, etc.*



INDUSTRIAL SITE

## *Industrial Lands – Possible Considerations for EEHVS*

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- *Retaining a portion of the industrial area and allowing modest intensification (e.g., a maximum of 3 or 4 story buildings)*
- *Capturing retail opportunities on Arcadia, Evergreen College, and other infill sites while strengthening the Evergreen Village retail area*
- *Protecting Edenvale and Coyote Valley from new conversions*

## *Retail / Small Office Study*

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### *City-Wide Context*

- *City-wide retail report documenting \$2 billion annual retail leakage throughout the City.*
  - *City-wide retail sites of appropriate size, location, and access difficult to find.*
  - *Buying power in San Jose will continue to grow, personal income continues to grow, retail leakage will continue to grow if not addressed.*



## *Retail / Small Office Study*

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### *Evergreen Demographics*

- *85.3% homeownership in Evergreen compared to 61.8% for City overall and 57.8% in Bay Area.*
  - *Evergreen is an affluent community. 2004 estimated median household income was \$110,200 compared to \$80,000 for San Jose overall, and \$71,600 for the Bay Area ( 31% \$150,000).*
  - *Total taxable retail sales in the Study Area increased 6.8 % from 2001 to 2003, despite the economic slowdown in the Bay Area.*

## *Retail / Small Office Study*

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### *Retail is Important*

- *Contribution to quality of life*
  - *Place making*
  - *Provide services residents desire*
  - *Reduce trips/trip duration in the long run*
  - *Creates more desirable neighborhoods/more fun and enjoyment*
  - *Important contribution to General Fund, ability for City to provide services to the EEHVS area*

## *Retail / Small Office Study*

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### *Potential Demand for Office Space*

- *About 490 firms have fewer than 5 employees in the area.*
  - *More than 1,000 Evergreen area residents work at home. With new housing development and additional 200-300 home-based businesses can be expected.*
  - *New population growth generate an estimated need for 30,000 square feet of new office space. Some capture of new and existing home based businesses will support an additional 45,000 square feet for a total of 75,000 square feet*

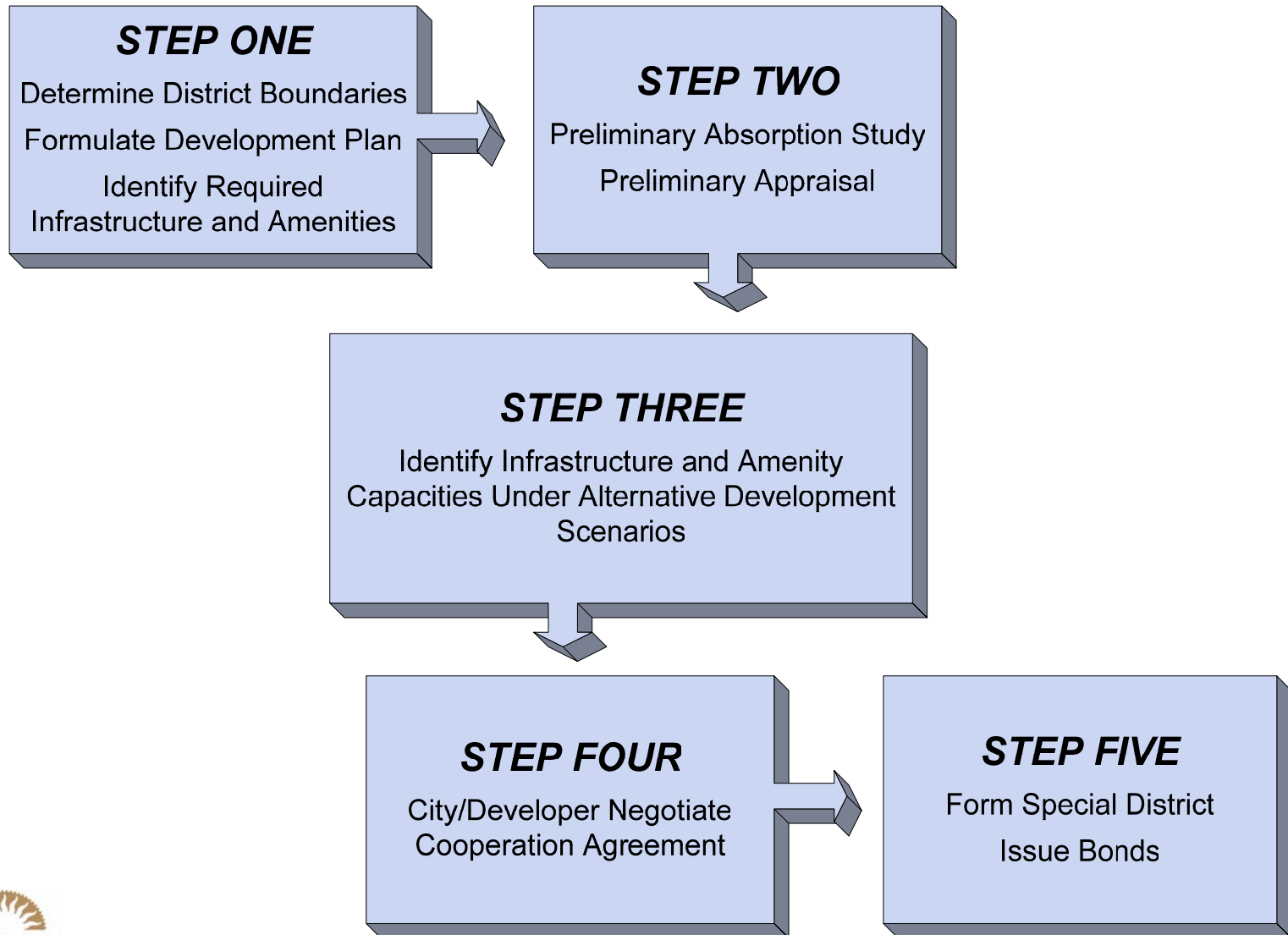
## ***Background to Trade-Off Analysis***

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- ***Evergreen Developer Group Requested City Consider Community Facilities District (CFD) to Finance a Portion of Infrastructure and Amenities Costs***
- ***Finance Director Scott Johnson Provided Background to Council on the Financial Feasibility Process and CFD Financing at June 8, 2005, Study Session***
- ***Council Requested a Trade-Off Analysis to Better Understand the Impact of Various Policy Choices on Ability to Pay for Infrastructure and Amenities***
- ***Council-approved Work Plan Directs Presentation of Preliminary Results of Trade-Off Analysis to Task Force for Review and Comment***

# *Process for Determining Financial Feasibility*

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# *Features of a Community Facilities District*

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- *Community Facilities District Generates Special Tax Revenue*
  - *Only parcels in the district are burdened with the special tax*
  - *Property owners in the district approve the special tax by a 2/3rds vote*
  - *Industry practice caps total assessments and taxes (ad valorem and special) on property at 2% of projected property value*
- *Special Tax Revenue Can Meet a Variety of Needs*
  - *Public capital improvements with a useful life of five years or more*
  - *Maintenance of public infrastructure and facilities*
  - *Projects can be located outside district boundaries*
- *Community Facilities District Structure Provides Flexibility*
  - *No requirement that special tax be apportioned on the basis of benefit to properties (but should be apportioned on a reasonable basis)*
  - *District boundaries can be expanded through future annexations*
  - *Rate and Method of Apportionment can be structured to accommodate development changes made after formation of the district*

## ***CFD Formation and Bond Issuance Activities***

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- ***District formation begins after Plan amendments and EIR process are completed***
- ***Property owners submit formation petition***
- ***City Council adopts Resolution of Intention to form district and sets Public Hearing date***
- ***City Council holds Public Hearing, adopts District Formation and Special Tax Election Resolutions***
- ***Property owners vote to approve special tax***
- ***City Council certifies election results and adopts resolutions for recording the special tax lien and approving bond and disclosure documents***
- ***Conduct bond sale and closing***